

# **REPORT FROM THE FINANCIAL POLICIES COMMITTEE (FPC)**

**RON EHRENBERG**

**OCTOBER 12, 2011**

## 2011-2012 Financial Policies Committee (FPC)

Joe Burns (ENGR)

Ronald Ehrenberg (ILR)

John Cawley (CHE)

Tom DiCiccio (ILR)

Kifle Gebremedhin (ENGR)

Amy McCune (CALS)

Stephen Pope (ENGR)

Tony Simons (HOTEL)

Shawkat Toorawa (A&S)

Mildred Warner (AAP)

Peter Wolczanski (A&S)



# **REPORT FROM THE FINANCIAL POLICIES COMMITTEE (FPC)**

**RON EHRENBERG**

**OCTOBER 12, 2011**

## **Summer 2011**

Ron Ehrenberg met twice with Vice President Elmira Mangum to keep up to date with the financial issues that Cornell was facing and to discuss the agenda for her discussions with the FPC in the fall.

## **September 15, 2011**

Vice President Mangum discussed with us:

1. The progress Cornell was making on eliminating the structural deficit in the annual operating budget;
2. The implications of the special draw on the endowment for financial aid dollars ending in FY2014;
3. Trustees' concerns about the levels of reserves/fund balances at the university and the explanations that she gave them that assuaged their concerns;
4. In response to committee questions, why the structural deficit arose;



**REPORT FROM THE FINANCIAL POLICIES COMMITTEE (FPC)**  
**RON EHRENBERG**  
**OCTOBER 12, 2011**

5. The progress on the evolving budget model and the issues that she would be discussing with the deans, the college business officers, and then the FPC during the fall semester:

- a. Undergraduate tuition treatment
- b. Graduate tuition treatment
- c. Facilities and Administration (F&A) (formerly called indirect cost) revenues – to whom do the funds accrue and who pays the costs for which the funds come to the university?
- d. University “Support” Pool – what should the “tax” rates on what revenue streams be to support central administrative costs and to provide funds to support new initiatives and to stimulate cross-college activities?



**REPORT FROM THE FINANCIAL POLICIES COMMITTEE (FPC)**  
**RON EHRENBERG**  
**OCTOBER 12, 2011**

**October 4, 2011**

On a strictly confidential basis, the Provost briefed the committee on the financial plans (capital and operating) for the proposal for the NYC Campus that Cornell will submit to NYC later this month. The purpose of our meeting was to allow us to question him about the likely impact of the NYC project on the finances of the Ithaca campus. Committee members shared with him concerns that they had about a number of the assumptions upon which the plans were based. With the permission of the Provost, after our meeting Amy McCune and I discussed FPC members' concerns with the two faculty trustees so that they would know them before the trustees as a whole discussed the proposal this week.

**Reminder of the Semester**

We will meet with VP Mangum to discuss the topics noted above. She will also discuss with us in November or December the FY13 budget that the Provost will bring to the Trustees in January or later. I am hopeful that we will be able to arrange to have the Provost or VP Mangum make a presentation to the Faculty Senate on the FY13 budget before it is adopted by the Trustees.

